



BUILDING HOME

Tenant-Based Rental Assistance

Tenant-Based Assistance



- This chapter covers:
 - ◆ Eligible TBRA households and units
 - ◆ Eligible forms of assistance under HOME
 - ◆ Options for establishing TBRA program
 - ◆ Key issues for design and administration of a TBRA program

What is TBRA?



- TBRA is a rental subsidy that PJs can use to help individual households afford housing costs

- ◆ Rent
- ◆ Utility costs
- ◆ Security deposits
- ◆ Utility deposits



Other Rental Assistance Programs



- Most common type is the Section 8 Voucher program
- Other TBRA programs help tenants pay for costs associated with their rental housing

Rental Projects Vs. TBRA



- There are several key differences between traditional rental housing and TBRA
 - ◆ Families choose the unit
 - ◆ TBRA assistance is portable
 - ◆ Level of subsidy based on income of household and/or rent of the unit the household selects

Why Create a TBRA Program?

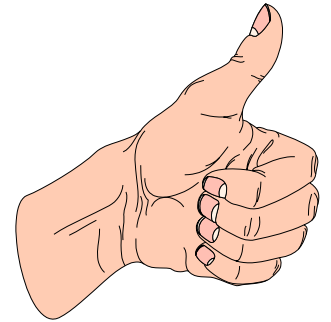


- Choice and mobility for households
- PJ flexibility in meeting fluctuating demands for housing
- Cost-effectiveness
- No long-term financial obligation
- May be used to help with relocation

Program Design Options



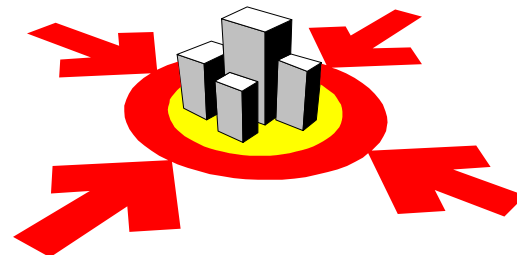
- General community-wide program
- Self-sufficiency program
- Homebuyer program
- Security deposit program
- Targeted populations program
- Anti-displacement program
- Security deposit program



Targeted Population Programs



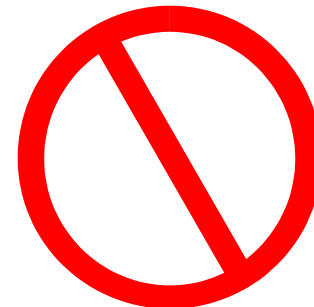
- PJs may give preference to individuals with special needs
 - ◆ Must be an un-met need in PJs' Con Plan
 - ◆ Preference must address the need
 - ◆ PJs cannot discriminate on any basis prohibited by Fair Housing laws



Ineligible Activities



- Assisting a resident owner of a cooperative or mutual housing unit
 - ◆ Unless these units are considered rental housing units under state law
 - ◆ A tenant who rents from an owner of a cooperative or mutual housing unit may receive TBRA



Ineligible Activities



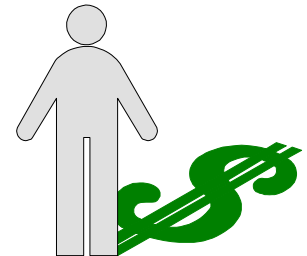
- Preventing displacement of tenants from projects assisted with Rental Rehabilitation funds
- Providing funds to homeless persons for overnight or temporary shelter
- Duplicating existing rental assistance programs that already reduce rent payment to 30% of a tenant's income



Eligible Applicant



- Tenants must be low-income
 - ◆ Prior to signing contract
- Program rule must be met...
 - ◆ For each funding allocation, 90% of households in HOME rental units and receiving TBRA must have incomes at/below 60% of MFI



Tenant Selection Requirements



- Written policy
 - ◆ Select households
 - Income
 - Preference
- Two options:
 - ◆ Select households from PHA Section 8 waiting list OR
 - ◆ Establish its own waiting list



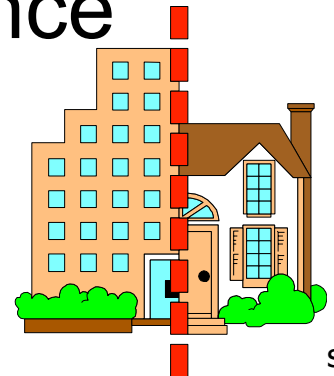
Local Preferences

- With suspension of federal preferences, PJ may design program with local preferences
 - ◆ Residency requirements
 - ◆ Targeted programs

Eligible Units



- Units may be publicly- or privately-owned
- Units may not receive another form of rental subsidy
- Units must have a “reasonable rent”
- Units may have been developed or rehabilitated with HOME assistance



Portability



- PJs may permit portability of assistance
 - ◆ Within the PJ
 - ◆ Outside of the PJ

Property and Occupancy Standards



- Property must meet Section 8 HQS
- PJ must develop occupancy standards
 - ◆ Section 8 HQS OR
 - ◆ Higher local standards
- Assure compliance with Lead-Based Paint Title X Regulations
- At Occupancy and Annually.





Lead-Based Paint

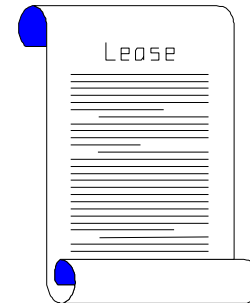
■ Title X

- ◆ Units built before 1978 with at least one child less than 6 years old
- ◆ Notification
- ◆ Reduction
- ◆ Clearance
- ◆ Environmental Intervention Blood Lead Level



Lease Requirements

- Owners' lease must not contain prohibited lease provisions
- Term between tenant and owner must be for at least one year, unless mutually agreed upon
- PJ must establish termination/non-renewal standards





Amount of Subsidy

- Maximum TBRA Payment
 - \$XXX (jurisdiction-wide rent limit)
 - \$XXX (30% of adjusted monthly income)
 - \$XXX maximum subsidy
- Minimum Tenant Payment
 - ◆ Established dollar amount OR
 - ◆ Percentage of income
- Subsidy contracts cannot exceed two years

Who will Administer the Program?



- PJs can:
 - ◆ Administer directly
 - ◆ Contract with PHA
 - ◆ Contract with other agencies



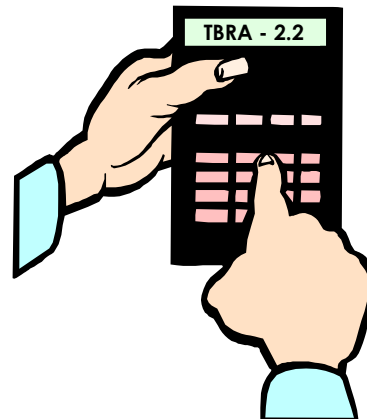
Type of Program

- Section 8 Model
 - ◆ Successful track record
 - ◆ Can be more efficient
 - ◆ Payments go directly to landlord
- New Program
 - ◆ May administer a security deposit only program
 - ◆ Payments may go directly to tenant

Calculating Rental Subsidy



- Factors affecting PJ's payment:
 - ◆ Family's income
 - ◆ Payment standard for each bedroom size
AND
 - ◆ Cost of housing and utilities
- Subsidy also depends on type of TBRA program





Payment Standard

- HUD Established Payment Standard
- PJ Established Payment Standard
- Unit Specific Exception

Section 8 Voucher Model



- Assumes fixed PJ payment:
\$XXX (approved rent for unit)
-\$XXX (maximum PJ subsidy)
\$XXX (tenant portion)
- PJ generally pays difference between its payment standard and 30% of tenant's adjusted income

On-going Responsibility

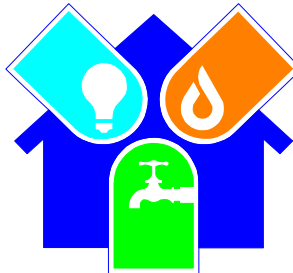


- Occupancy Requirements
 - ◆ Inspections
 - ◆ Occupancy Units
- Rent increases
- Recertifications

Utility Allowances



- PJ must set utility allowance schedule
 - ◆ Estimate the average cost of utilities for typical types of housing and various utilities and fuel sources
 - ◆ Include water/sewer, electric, gas and trash
 - ◆ Telephone and cable T.V. NOT included





Processing Applications

- Key steps:
 - ◆ Application intake and waiting lists
 - ◆ Eligibility determinations
 - ◆ Coupon issuance
 - ◆ Request for unit approval
 - ◆ Lease execution and project set-up

Anti-Displacement and Relocation Activities



- For displacement,
 - ◆ If post-rehab gross rent exceeds TTP, tenant is “rent-burdened”
 - ◆ HOME TBRA or Section 8 assistance may be provided
- For relocation assistance,
 - ◆ HOME TBRA may be alternative for URA replacement housing payment
 - ◆ Length of assistance subject to relocation requirements